O/Cotton Cloth Dealers/53

1953.

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File No. 4/53

Legal Deptt.

G **BRANCH**

Subject:—

Opinion on the Bombay Cotton Cloth Dealers Licensing Order

File No. 41/53

Gen. 124 c. O/Cotton Cloth Dealers/53

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The provisions of the Bombay Cotton Cloth Delalers Licensing Order, 1951 do not apply to Government. Besides it is dpubtful whether the term 'person' in condition 1 of the 'A' class license in Form II appended to the said order would include Government. The Advcate may therefore only be informed that the view taken by him is not correct and the decision to forfeit the amount cannot be reconsidered.

Sd/P.M.LAD.
25/2

Remembrancer of Legal Affairs.

U.R. to S.T.C.,No.G-130, dated the 25th February 1953.

VGP. 14-8-56.

Messrs. Shyamlal Chimanlal have applied for renewal of A, B. &.D Class Dealers Licenses granted to them under the Bombay Cotton Cloth Dealers Licensing Order, 1951. As this firm is alleged to have committed breach of contracts entered into with Government in respect of sale of bales of cloth and yarn, involving the Government in huge losses, for the recovery of which it is proposed to file a suit against them, the R.L.A. is requested to advise whether it would be in order to decline renewal of the licences.

2. Under clause 10 of the Bombay Cotton Cloth Dealers Licensing Order, 1951 a licence granted under the provisions of the order is valid for the period specified therein but can be renewed for any period not exceeding one year at a time. Under the first proviso to that clause, it is provided that the Licensing Authority may refuse to renew any such licence without assigning any reason. The validity of this provision has been considered by the R.L.A. in his opinion No. 723-Confl., dated the 25th July 1952; and as pointed out therein the exercise by the Licensing Authority of this power would be valid provided it is honestly and judiciously exercised. No criminal misconduct has been alleged against Messrs. Shyamlal Chimanlal while acting as A, B or D class licensees. It is true that they are alleged to have committed breach of the contracts for the purchase of cloth and yarn entered into with Government involving Government in huge losses; but the company on its part also alleges that the breach had been committed by Government. The matter will ultimately be for the civil court to decide, but on that account alone it will not be correct for the Licensing Authority to refuse to renew the licences. The answer to the question raised by the Supply Commissioner is in the negative.

Sd/

Additional Secretary to Government.

U.R. to S.T.C.,No.G-344, dated the 12th June 1953.

VGP. 14-8-36.